

Message Text

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ORIGIN EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 NEA-09 IO-10 ISO-00

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FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

AMEMBASSY NEW DELHI

AMEMBASSY MANILA

AMEMBASSY BANGKOK

AMEMBASSY TANANARIVE

AMEMBASSY BLANTYRE

AMEMBASSY PORT LOUIS

USMISSION EC BRUSSELS

AMCONSUL GUAYAQUIL

AMCONSUL RECIFE

AMEMBASSY OTTAWA

AMEMBASSY LONDON

AMCONSUL MARTINIQUE

USMISSION GENEVA

AMEMBASSY ROME

USMISSION OECD PARIS

USCINCSO

XMT AMEMBASSY NASSAU

AMEMBASSY SANTIAGO

AMEMBASSY SANTO DOMINGO

C O N F I D E N T I A L STATE 106297

FOLLOWING REPEAT SANTO DOMINGO 1968 ACTION SECSTATE

INFO LONDON MANILA 2 MAY 75.

QUOTE

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C O N F I D E N T I A L SANTO DOMINGO 1968

DEPT PASS ALL ARA DIPLOMATIC POSTS EXCEPT SANTO DOMINGO

E.O. 11652: GDS

TAGS: ETRD, EAGR

SUBJECT: SUGAR: LATIN AMERICAN PRODUCERS' MEETING IN PUERTO PLATA

REF: (A) STATE 61168; (B) SD 1798; (C) SD 1866

1. THE MORE THE EMBASSY LEARNS ABOUT THE LATIN AMERICAN SUGAR PRODUCERS' MEETING IN PUERTO PLATA APRIL 21-24, THE MORE IT IS FORCED TO THE CONCLUSION THAT THE MEETING WAS SOMETHING LESS THAN A SUCCESS. THE DELEGATES WERE UNABLE TO AGREE UPON EITHER A DRAFT OF STATUTES, OR A BUDGET FOR A PERMANENT SECRETARIAT, AND ACCORDING TO MOST ACCOUNTS, NO AGREEMENT WAS MADE ON PRICE-FIXING OR ON A PRICE FLOOR. THE FINAL DOCUMENT REPORTED REFTEL (C) APPEARS TO BE THE MOST AGREED UPON IN REGARD TO PRICES.

2. THE AGREEMENTS ANNOUNCED ON A FORMULA FOR QUOTA FINANCIAL CONTRIBUTIONS, AN INFORMATION EXCHANGE SERVICE, AND TECHNICAL COOPERATION APPEAR TO DEPEND UPON AGREEMENTS YET TO BE REACHED ON THE BUDGET AND STATUTES.

3. THE MEXICANS AND CUBANS WERE REPORTEDLY SO DISAPPOINTED WITH THE RESULTS OF THE MEETING THAT THEY DECIDED AT THE END TO ANNOUNCE ALSO A BILATERAL TECHNICAL ASSISTANCE AGREEMENT. THE LOCAL PRESS QUOTES ONE DOMINICAN SOURCE AS SAYING THAT IF THE MEETING WAS A SUCCESS IT IS A WELL-KEPT SECRET.

4. PROPOSALS FOR AN ANNUAL BUDGET RANGING FROM APPROXIMATELY \$650,000 TO \$1.2 MILLION WERE DISCUSSED AT THE MEETING BUT NO AGREEMENT REACHED. IT IS APPARENTLY HOPED BY THE ORGANIZERS THAT THE UNRESOLVED QUESTION OF PERMANENT STATUTES MAY FOR THE MOMENT BE FINESSED BY THE SECRETARIAT'S ATTEMPTING TO GET A CONSENSUS FROM THE PARTICIPATING GOVERNMENTS ON A BUDGET PRIOR TO THE MEETING NEXT SEPTEMBER IN LIMA. A RANKING GODR OFFICIAL WHO ATTENDED THE PUERTO PLATA MEETING TOLD THE ECONOMIC COUNSELOR THAT HE DOUBTED A BUDGET WOULD BE AGREED UPON BEFORE THE LIMA MEETING. VARIOUS DELEGATIONS CRITICIZED THE LARGE AMOUNTS PROPOSED, AND IF A CONFIDENTIAL

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BUDGET IS AGREED UPON, IT WILL PROBABLY BE TOWARD THE LOWER RANGE OF THE FIGURES DISCUSSED.

5. ANOTHER DOMINICAN AT PUERTO PLATA HAS GIVEN THE EMBASSY THE FOLLOWING ACCOUNT: EARLY ON, THE CUBANS PROPOSED THAT PARTICIPATING LATIN AMERICAN GOVERNMENTS TAKE OVER THE MARKETING SUGAR. THE CUBANS ALSO HAD SOME IDEAS ABOUT FINANCING THE WITHHOLDING OF STOCKS, BUT NOTHING WAS DECIDED ABOUT EITHER.

6. THE SAME SOURCE ADDED THAT THE CUBANS, MEXICANS, PANAMANIAN AND PERUVIANS TENDED TO FORM ONE GROUP, AND THAT THOSE PRESENT WERE SURPRISED TO SEE THAT, INITIALLY, THE BRAZILIANS, REFLECTING MORE THE POINT OF VIEW OF STATE OFFICIALS THAN PRIVATE INTERESTS, JOINED THEM. LATER, HOWEVER, THE BRAZILIANS WENT OVER TO THE CAMP OFHI RIVAL GROUP HEADED BY ARGENTINA.

7. AS REPORTED REFTTEL (C), THE BRAZILIANS ALSO TOOK THE LEAD IN OBJECTING TO THE DRAFT STATUTES PRESENTED BY THE MEXICANS.

8. SEVERAL OBSERVERS HAVE SPECULATED THAT THE PROMINENT ROLE PLAYED BY THE MEXICAN, CANO ESCALANTE, COULD BE ATTRIBUTED IN PART TO CANO'S POLITICAL AMBITIONS IN MEXICO.

9. THE DELEGATES APPARENTLY ENGAGED IN CONSIDERABLE TALK AND COMPLAINING TO THE EFFECT THAT THEY DID NOT HAVE AN AGENDA FOR THE ISO MEETING IN LONDON MAY 15, AND THAT THEY SHOULD NOT BE EXPECTED TO PARTICIPATE IN MEETINGSWITHOUTWHICH THEY DID NOT KNOW THE AGENDA WELL IN ADVANCE. NEVERTHELESS, THEY AGREED THEY WOULD CAUCQE IN LONDON PRIOR TO THE MEETING THERE IN AN EFFORT TO ADOPT A COMMON POSITION.

10. IT WAS AGREED THAT IN THE FUTURE NEITHER THE PHILIPPINES NOR OTHERS OUTSIDE LATIN AMERICA AND THE CARIBBEAN WOULD BE ALLOWED TO PARTICIPATE AS OBSERVERS OR OTHERWISE. THE PUERTO RICANS, WHO WERE ORIGINALLY INVITED TO PUERTO PLATA BUT DID NOT RPT NOT SHOW UP, ARE ALSO TO BE EXCLUDED.

11. IN CONSLUSION, IT WOULD APPEAR THAT THE DELEGATES TRIED TO PUT AS GOOD A FACE AS POSSIBLE ON THE RESULTS OF THE MEETING BY ANNOUNCING AGREEMENTS ON TECHNICAL COOPERATION AND AN INFORMATION SERVICE, BUT WITHOUT DRAWING ATTENTION TO THE FACT THEY STILL NEED CONFIDENTIAL

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AGREEMENTS ON A BUDGET AND BASIC STATUTES WHICH WILL MAKE THESE POSSIBLE. UNLESS THE SECRETARIAT CAN ACHIEVE WHAT THE DELEGATES THEMSELVES COULD NOT DO, THESE QUESTIONS WILL REMAIN FOR THE LIMA MEETING IN SEPTEMBER.

12. THE CONCLUSION ABOVE HAS BEEN REINFORCED BY RECENTLY-PUBLISHED REMARKS OF FERNANDO ALVAREZ BOGAERT, HEAD OF DOMINICAN CONSEJO ESTATAL DE AZUCAR (CEA) AND PRESIDENT OF THE PUERTO PLATA CONFERENCE. ALVAREZ BOGAERT, PROBABLY RESPONDING TO PUBLISHED AND UNPUBLISHED CRITICISM REGARDING THE PUERTO PLATA MEETING, ADMITTED THAT MOST OF THE PROPOSALS SUBMITTED TO THE MEETING WERE REFERRED TO THE PERMANENT SECRETARIAT OR MEMBER GOVERNMENTS FOR FURTHER STUDY. AT ONE POINT ALVAREZ BOGAERT DESCRIBED THE LA SUGAR PRODUCERS AS A QUOTE GROUP UNQUOTE, NOT AN ORGANIZATION. NEVERTHELESS, HE DOWN-PLAYED THE SIGNIFICANCE OF

ADMINISTRATIVE AGREEMENTS.

13. ALVAREZ BOGAERT ASSERTED THAT THE LA PRODUCERS WILL NOT BE A DIVIDED GROUP DURING THE FORTHCOMING LONDON MEETING. LA PRODUCERS WILL TAKE THIS OPPORTUNITY TO SOUND OUT CONSUMER REACTIONS TO THEIR OPINIONS ON THE CURRENT MARKET SITUATION AND PROSPECTS FOR THE FUTURE. IF PRODUCERS DO NOT RECEIVE A SATISFACTORY RESPONSE FROM CONSUMER NATIONS IN LONDON, THEY MAY BE INCLINED TO TAKE UNILATERAL

ACTIONS AT THE LIMA MEETING, HE CONTINUED. AS A FINAL POINT, ALVAREZ BOGAERT IS REPORTED TO HAVE STATED THAT THE "GROUP" AGREED AT PUERTO PLATA THAT SELLING SUGAR ON THE FUTURE MARKET WAS UNSTABILIZING AND THAT HENCEFORTH SUGAR WOULD BE SOLD FOR FINAL DESTINATION OR IMMEDIATE DELIVERY RATHER THAN THROUGH BROKERS.

(COMMENT: WE HAVE BEEN RELIABLY INFORMED THIS MORNING THAT COLOMBIA YESTERDAY SOLD 25,000 TONS OF SUGAR TO US SUGAR BROKERS AT TWENTY CENTS A POUND.)

HURWITCH UNQUOTE KISSINGER

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